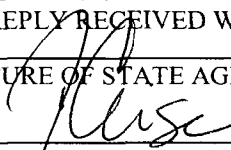



TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: HEALTH CARE FINANCING ADMINISTRATION		1. TRANSMITTAL NUMBER: <div style="text-align: center;">04-25</div>	2. STATE <div style="text-align: center;">Louisiana</div>
TO: REGIONAL ADMINISTRATOR HEALTH CARE FINANCING ADMINISTRATION DEPARTMENT OF HEALTH AND HUMAN SERVICES		3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
5. TYPE OF PLAN MATERIAL (Check One): <input type="checkbox"/> NEW STATE PLAN <input type="checkbox"/> AMENDMENT TO BE CONSIDERED AS NEW PLAN <input checked="" type="checkbox"/> AMENDMENT COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)		4. PROPOSED EFFECTIVE DATE <div style="text-align: center;">October 1, 2004</div>	
6. FEDERAL STATUTE/REGULATION CITATION: <div style="text-align: center;">42 CFR 447.321</div>	7. FEDERAL BUDGET IMPACT: a. FFY <u>2005</u> <u>\$0.00</u> b. FFY <u>2006</u> <u>\$0.00</u>		
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 4.19-B, Item 2.a., Page 1	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): Same (TN 02-19)		
10. SUBJECT OF AMENDMENT: The purpose of this amendment is to amend the reimbursement methodology for outpatient surgery services to comply with HIPAA requirements.			
11. GOVERNOR'S REVIEW (Check One): <input type="checkbox"/> GOVERNOR'S OFFICE REPORTED NO COMMENT <input checked="" type="checkbox"/> OTHER, AS SPECIFIED: <input type="checkbox"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED The Governor does not review state plan material. <input type="checkbox"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL			
12. SIGNATURE OF STATE AGENCY OFFICIAL: 	16. RETURN TO: State of Louisiana Department of Health and Hospitals 1201 Capitol Access Road PO Box 91030 Baton Rouge, LA 70821-9030		
13. TYPED NAME: Frederick P. Cerise, M.D., M.P.H.	17. DATE RECEIVED: December 28, 2004		
14. TITLE: Secretary			
15. DATE SUBMITTED: December 17, 2004			
FOR REGIONAL OFFICE USE ONLY			
18. DATE APPROVED: <div style="text-align: right;">8 MARCH 2005</div>		19. EFFECTIVE DATE OF APPROVED MATERIAL: <div style="text-align: center;">1 OCTOBER 2004</div>	
PLAN APPROVED – ONE COPY ATTACHED			
21. TYPED NAME: <div style="text-align: center;">ANDREW A. FREDRICKSON</div>	20. SIGNATURE OF REGIONAL OFFICIAL: 		
22. TITLE: ASSOCIATE REGIONAL ADMINISTRATOR DIV OF MEDICAID & CHILDREN'S HEALTH			
23. REMARKS:			

PAYMENTS FOR MEDICAL AND REMEDIAL CARE AND SERVICES

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES - OTHER TYPES OF CARE OR SERVICE LISTED IN SECTION 1905 (A) OF THE ACT THAT ARE INCLUDED IN THE PROGRAM UNDER THE PLAN ARE DESCRIBED AS FOLLOWS:

CITATION
42 CFR
447.321

Medical and Remedial
Care and Services
Item 2.a.

OUTPATIENT HOSPITAL SERVICES

Clinical diagnostic laboratory services are reimbursed at the lower of:

- 1) billed charges;
- 2) the State maximum amount for CPT codes (State maximum amounts in effective as of September 15, 2002 are increased by ten percent [10%]); or
- 3) Medicare Fee Schedule amount.

Outpatient hospital facility fees for office/outpatient visits are reimbursed at the lower of:

- 1) billed charges; or
- 2) the State maximum amount (70% of the Medicare APC payment rates as published in the 8/9/02 Federal Register). Fee Schedule is available in the Hospital Program Provider Manual.

Outpatient surgeries are reimbursed at the lower of:

- 1) billed charges; or
- 2) established Medicaid payment rates assigned to each Healthcare Common Procedure Coding System (HCPCS) code based on the Medicare payment rates for ambulatory surgery center services.

Current HCPS codes and modifiers shall be used to bill for all outpatient hospital surgery services.

Rehabilitation services (physical, occupational, and speech therapy). Rates for rehabilitation services are calculated using the base rate from fees on file in 1997. The maximum rates for outpatient rehabilitation services are set using the State maximum rates for rehabilitation services plus an additional 10%. Effective September 16, 2002 the reimbursement rates for services rendered to Medicaid recipients over the age of 3 years are increased by 15% for outpatient hospital rehabilitation services.

02-19

A
STATE <u>Louisiana</u>
DATE REC'D <u>12-28-04</u>
DATE APP'D <u>3-8-05</u>
DATE EFF <u>10-1-04</u>
HCFA 179 <u>04-25</u>

TN# 04-25
Supersedes
TN# 02-19

Approval Date 3-8-05

Effective Date 10-1-04